

VZCZCXRO6923
PP RUEHCI
DE RUEHKT #0975/01 1361234
ZNY CCCCC ZZH
P 161234Z MAY 07
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC PRIORITY 5945
INFO RUEHLO/AMEMBASSY LONDON PRIORITY 5339
RUEHKA/AMEMBASSY DHAKA PRIORITY 1258
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6029
RUEHBJ/AMEMBASSY BEIJING PRIORITY 5723
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4051
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1437
RUEHCI/AMCONSUL KOLKATA PRIORITY 3466
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEHGV/USMISSION GENEVA PRIORITY 1639
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2673

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000975

SIPDIS

SIPDIS

E.O. 12958: DECL: 05/15/2017

TAGS: [PREL](#) [PGOV](#) [PTER](#) [PHUM](#) [NP](#)

SUBJECT: INDIAN AMBASSADOR AGREES ON NEED FOR LAW AND ORDER

REF: KATHMANDU 965

Classified By: Ambassador James F. Moriarty for reasons 1.4(b/d).

Summary

1. (C) In a meeting with the Ambassador May 15, Indian Ambassador Shiv Mukherjee was hopeful that problems with the Madhesi rights groups would be resolved soon, but pessimistic about the law and order situation in Nepal generally. Mukherjee noted that Peace and Reconstruction Minister Ram Chandra Poudel's recent meeting with Madhesi People's Rights Forum leader Upendra Yadav in Birgunj would help to bring the MPRF into a productive dialogue. The Indian Ambassador acknowledged that Home Minister Sitaula appeared incapable of re-establishing law and order and suggested that former Home Minister Khum Bahadur Khadka or former Foreign Minister (and Home Minister) Krishna Prasad Oli might prove better choices.

Resolution of the Madhesi Rights Movement

2. (C) Indian Ambassador Shiv Mukherjee told the Ambassador May 15 that he was hopeful problems with the Madhesi rights groups would be resolved soon. Expressing dissatisfaction with Madhesi People's Rights Forum (MPRF) leader Upendra Yadav, Mukherjee noted that Peace and Reconstruction Minister Ram Chandra Poudel's recent meeting with Yadav in Birgunj had "taken Yadav down a notch or two" and would help bring the Madhesi groups into a productive dialogue. Yadav's leadership of the MPRF was tenuous, he added. (Comment: The Government of India's (GOI's) interest in undercutting Yadav might be related to Yadav's pre-conditions for talks with the government, such as his demand for a Public Commission of Inquiry, or perceptions that he is too close to the United States. End Comment.)

Revised Constituencies Needed Soon

3. (C) Mukherjee said that a revamped Constituency Delineation Commission needed to be established, complete its work quickly, and make recommendations on the number and outline of revised electoral constituencies. He reported

that Prime Minister Koirala had voiced concern during their May 12 meeting that a re-opening of the commission's previous results would inspire other dissatisfied ethnic groups to make demands similar to the Madhesis. The Ambassador advised Mukherjee to tell the Prime Minister that, once the Government of Nepal completed this process, it should not be re-opened for further debate.

Law and Order Impossible Under Sitaula

14. (C) The Indian Ambassador seemed more concerned than ever about the law and order situation. Indian companies in Nepal were suffering because of outrageous extortion demands by the Young Communist League (YCL) and labor disputes caused by Maoist labor unions. Mukherjee acknowledged that it would be difficult to re-establish law and order under the current Home Minister. He indicated, however, that the Indians appreciated Home Minister Sitaula's willingness to keep the GOI well-informed. The Ambassador said that the Nepal Police did not trust Sitaula to side with them against the Maoists. The Indian Ambassador mentioned two possible candidates for Home Minister: Khum Bahadur Khadka, a three-time former Nepali Congress Home Minister and former Communist Party of Nepal) United Marxist Leninist Foreign Minister (and Home Minister) K.P. Oli. However, Mukherjee said, the PM would need to offer Sitaula another ministry.

Comment

15. (C) Post hopes that the Government of India might now be

KATHMANDU 00000975 002 OF 002

ready to weigh in with Prime Minister Koirala on the need to replace Home Minister Sitaula. In a later meeting May 16 with the Ambassador and UK Ambassador, Mukherjee gave further indication of Indian dissatisfaction. He said Sitaula's role as Home Minister and Chief Negotiator was a conflict of interest. He also emphasized that while the Indians were undertaking a massive effort to re-equip the Nepali police, equally important was to improve Home Ministry leadership, Nepal Police morale, and police - community relations. Of the two possible candidates Ambassador Mukherjee proposed, Khum Bahadur Khadka, who has a reputation for effectiveness (and corruption) is more likely. K.P. Oli's big disadvantage is that he is not with the Nepali Congress party. The question now is whether Mukherjee will raise the need for a new Home Minister with Prime Minister Koirala.
MORIARTY